

EXTENSIONS OF REMARKS

INTRODUCTION OF THE PUBLIC SCHOOL CONSTRUCTION PARTNERSHIP ACT

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 1999

Mr. SHAW. Mr. Speaker, today I am introducing legislation, entitled the Public School Construction Partnership Act, to help our public schools meet the need for school modernization, new classrooms and the repair of old and aging facilities.

In the 22nd Congressional District of Florida, I represent three of the fifteen largest school districts in the country—the Miami-Dade County Public School District is the nation's fourth largest school district, the Broward County School District is the nation's fifth largest, and the Palm Beach County School District is the fifteenth largest. Broward County is also the third fastest growing school district in the nation. Public school children attend classes in 296 elementary, middle and senior high schools in Miami-Dade County, 178 in Broward County, and 137 in Palm Beach County. Many classes are held in temporary classrooms. Many of the buildings are in need of repairs. The student population in the state of Florida is expected to grow 25 percent faster than the overall population. This makes the need for new school construction critical.

Public schools need new ways to raise revenue to meet the problems caused by growth and overcrowding. The financing needs faced by an urban school district may not be of the same nature or scope as those of a rural district. At the same time we need to reduce construction costs and promote school construction efficiencies to ensure that dollars are spent wisely and effectively. This bill is a meaningful step in those directions. Four different approaches to financing new public school construction and repairing older schools are provided for in this legislation.

First, the bill would allow school districts to make use of public-private partnerships in issuing private activity bonds for the construction or improvement of public educational facilities. Private activity bonds can now be issued to finance 12 types of activities such as airports, docks and wharves, qualified residential rental projects, and qualified hazardous waste facilities. It makes sense to be able to issue them for the construction and rehabilitation of public schools.

In order to qualify for the bonds, a private corporation would be required to participate in a public-private partnership with a public school district. Under the bill, a private corporation could build school facilities and lease them to the school district. At the end of the lease term the facilities would revert back to the school district of no additional consider-

ation. Alternatively, a school district could sell their old facilities to such a corporation, which would then refurbish them, and lease the refurbished facilities back to the school district. The proceeds from the sale could then be used by the district to build new classrooms. This allows the school district to leverage investment in school facilities without having to borrow by issuing tax-exempt bonds.

The bonds would be exempt from the annual state volume caps on private activity bonds, but would be subject to their own annual per-state caps equal to the greater of \$10 per capita or \$5 million. This would raise more than an additional \$120 million for school construction in the state of Florida. The bill leaves to the states the manner in which the per-state amount is to be allocated.

Second, the bill provides for a 4-year safe harbor for exemption from the arbitrage rules. To prevent state and local governments from issuing tax-exempt bonds and using the proceeds to invest in higher yielding investments to earn investment income (thereby earning arbitrage profits), arbitrage restrictions are placed on the use of tax exempt bonds. In the case of tax-exempt bonds use to finance school construction and renovation, the bond proceeds must be spent at certain rates on construction within 24 months of being issued. The bill would extend the 24-month period to 4 years for school bonds as long as the proceeds were spent at certain rates within this period. It is difficult for school districts to comply with the present 24-month period when funding different projects from a single issuance of bonds. The increase in the time period would give school districts greater flexibility in planning construction projects and more money with which to build and repair schools.

Tax exempt bonds issued by small governments are not subject to the arbitrage restrictions as long as no more than \$10 million of bonds are issued in any year. In order to provide relief to small and rural school districts undertaking school construction and rehabilitation activities, the third approach undertaken by the bill is to raise the exemption to \$15 million as long as at least \$10 million of the bonds were used for public school construction.

Fourth, the bill would permit banks to invest in up to \$25 million of tax exempt bonds issued by school districts for public school construction without disallowance of a deduction for interest expense. Currently, banks are allowed to purchase only \$10 million without being subject to disallowance of interest expense. Banks, traditionally, have been an important purchaser of last resort of tax exempt bonds. Increasing the amount of bonds that can be purchased by banks without penalty will allow school districts to sell their bonds to banks, thereby avoiding having to incur the expense of accessing the capital markets.

This legislation offers an innovative approach to help finance the building and reha-

bilitation of our public schools, which activity is so vital to improving our education system. The creation of the public/private partnerships would speed up the construction of new public schools that are urgently needed. The bill gives our school districts the flexibility they need to tailor their financing needs to their individual situations.

This legislation can help our public schools to construct and repair needed facilities to educate our children, and I urge my colleagues to join me in seeking its enactment.

TRIBUTE TO JEANETTE M. MIDDLETON

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 1999

Mr. SHIMKUS. Mr. Speaker, I would like to take this time to congratulate Jeanette M. Middleton of Nashville who recently received a \$25,000 Milken Educator Award from founder Michael Milken at the recent Milken Family Foundation National Education Conference in Los Angeles, CA. Jeanette is a teacher at Lebanon Grade School where she implemented numerous innovations in the schools resources and ways of teaching.

Among her accomplishments at Lebanon Elementary School are: starting a science fair; incorporating a recycling program into her science classes; using proceeds from recycling to start a Critters in the Classroom Project; helping write a grant application that resulted in a \$65,000 grant to start a computer lab; developing the school web site; and instructing teachers in classroom applications for technology. I am extremely grateful to Jeanette for going the extra mile to see that our children are educated to live, prosper, and grow in to the 21st century.

TRIBUTE TO BOB AND SHIRLEY SHELTON

HON. SCOTT MCINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 1999

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to recognize two of Colorado's remarkable citizens, Bob and Shirley Shelton of Eagle, CO. In addition to compiling an unparalleled resume of volunteerism, Mr. and Mrs. Shelton have exemplified the notion of public service and civic duty in the community of Eagle.

Mr. and Mrs. Shelton moved to Eagle in 1948 where the couple held various jobs both in the public and private sectors. Bob served seven terms on the Eagle town board and a

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Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

stint as the community's mayor. Shirley's work consisted largely of secretarial services for the school superintendent and the Selective Service.

Bob and Shirley, now retired, spend much of their time volunteering or actively participating in community projects. Bob works throughout the summer as the manager of the Eagle Regional Visitor Information Center. During the winter, he serves as the ambassador at the Eagle County Regional Airport—helping travelers with all their information needs.

This spring, the couple was selected as the Eagle Flight Days Parade grand marshals, an honor given to them in recognition of their outstanding services to the Eagle community. The two led off the parade on July 3.

Mr. and Mrs. Shelton's contributions and exceptional services to the community of Eagle are to be commended. The dedication and hard work they demonstrate is remarkable. The state of Colorado is privileged to have such outstanding citizens.

CONGRATULATIONS TO LT. COL.
THOMAS S. BLACK, U.S. ARMY
RESERVE

HON. ELLEN O. TAUSCHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 1999

Mrs. TAUSCHER. Mr. Speaker, I rise today to extend my heartfelt thanks to my constituent and friend Lt. Col. Thomas S. Black, the commander of the Parks Reserve Forces Training Area in Dublin, CA.

Lieutenant Colonel Black assumed command of Camp Parks on August 5, 1997, and has been a tremendous asset to both the Army Reservist and the surrounding community. I, and everyone who served with him at Camp Parks, owe him a huge debt of gratitude.

The bonds between Camp Parks and the surrounding community have always been strong. However, Lieutenant Colonel Black took the relationship to a whole new level with his extensive use of local contractors, his partnership with the city of Dublin on creating new soccer fields and his privatization of the camp's water and wastewater utility system. Camp Parks has truly become one of the Tri-Valley's greatest treasures.

Lieutenant Colonel Black has had a long and prestigious career in the U.S. military since his enlistment in the California National Guard in 1973. He has served in southern California, Germany, Georgia, and Texas, and along the way has earned the U.S. Army's Meritorious Service Medal, the U.S. Army's Commendation Medal, the U.S. Army's Achievement Medal, and various other service awards and ribbons.

I, like everyone else at Camp Parks and the surrounding community, am very sorry to see him leave. As a member of the Armed Services Committee, I have truly enjoyed working with him on issues important to the well-being of Camp Parks and the U.S. Army Reservist. And as the U.S. Representative of the 10th Congressional District, I have truly enjoyed the

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friendship I have developed with Lieutenant Colonel Black over the last 2 years.

I wish he, his wife Kathy, and his sons the best at his new assignment in Japan. Thank you again Lieutenant Colonel Black for your leadership, your support, and your service to this Nation.

HONORING G. BRUCE EVELAND,
STATE COMMANDER FOR THE
VETERANS OF FOREIGN WARS

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 1999

Mr. SAXTON. Mr. Speaker, I rise before you today to recognize an organization which has served as the backbone for securing and protecting the rights of veterans of United States Armed Forces. This year, the Veterans of Foreign Wars of the United States celebrates its 100th year of providing a voice for the American military retiree. Central to the national organization's Centennial Anniversary celebration are the people who are a chief source of its success: the leaders of the local chapters.

I am fortunate enough to number among my constituents in New Jersey's 3rd Congressional District the State Commander for the Veterans of Foreign Wars, Mr. G. Bruce Eveland, a resident of Medford, New Jersey.

Mr. Speaker, I would like to take this opportunity to thank Mr. Eveland for all that he has done not only for veterans, but for his country. His persistence and hard work have ensured a better life for individuals who have certainly earned it: those men and women who have risked their lives serving the United States of America. Bruce Eveland is a tremendous asset to veterans everywhere, and, on the dawn of his homecoming celebration in Lumberton, New Jersey, I ask my colleagues in the 106th Congress to join me in recognizing his service.

A TRIBUTE TO MR. FRANK J.
BALEY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 1999

Mr. LIPINSKI. Mr. Speaker, I rise to pay my respects and honor a community leader and loyal Democrat, Mr. Frank J. Baley. Frank Baley passed away on Saturday, July 10, 1999 at the age of sixty-nine.

Frank Baley was a devoted public servant and a leader of the Village of Stickney for ten years. He began his political career as a Democratic precinct captain and later served as a member of the Stickney Library Board. In 1965, he was elected Democratic committeeman of Stickney Township and remained a member of the Stickney Township Regular Democratic Organization until his death. He was elected a trustee on the Stickney Village Board in 1966, and held that position for twenty-three years before being elected village president in 1989.

In addition to his political career, Mr. Baley was an insurance and real estate broker. He also held various positions with the Cook County assessor's office and the clerk of the Circuit Court, where he served as the director of the criminal division.

Mr. Speaker, it is my distinct honor to pay tribute to Mr. Baley. As a valuable and revered public servant and community leader, he will be greatly missed.

WINNER OF THE DISCOVER CARD
TRIBUTE AWARD

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 1999

Mr. ORTIZ. Mr. Speaker, I rise today to commend James A. Clark, an outstanding and innovative young man from Brownsville, Texas.

Competing with over 10,000 other applicants, James won a Silver Award in the Discover Card Tribute Award Scholarship for his outstanding contribution in the area of Trade and Technical Studies. The scholarship rewards student achievement in areas beyond academics. Winners must not only have a strong academic record, they must also possess special talents, be strong leaders, overcome personal obstacles, serve their community, and embark upon unique endeavors.

Academic success is definitely an important aspect of a young person's education. It requires hard work, interest, creativity, and discipline. However, real learning also occurs outside the classroom. A special talent cannot fully flourish without dedication and hours upon hours of practice. Leadership requires self-sacrifice and temerity; overcoming personal obstacle calls for faith and perseverance; and community service requires dedication, compassion, and unselfishness. James Clark, as a winner of the Discover Card Tribute Award, demonstrated all of these qualities.

While I am very proud of James, I know he did not do this alone. I commend his parents and his teachers for supporting and encouraging him in this proud undertaking. I especially commend the American Association of School Administrators (AASA), not only for its active participation in bringing the program into fruition, but also for its support and development of effective school leaders who ensure the highest quality in public education.

I appreciate the efforts of the private sector, like the Discover Card, who are serving a larger interest in recognizing the efforts of outstanding students. They support the AASA in its mission to prepare schools for the 21st Century by improving the condition of children and youth, connecting schools and communities, and enhancing the quality and effectiveness of school leaders.

Mr. Speaker, I ask my colleagues to join me today in applauding James Clark. He exemplifies the high level of academic success, leadership, dedication, creativity, and community service that all Americans, young and old, should emulate.